

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6090

BILL NUMBER: HB 1258

NOTE PREPARED: Nov 11, 2012

BILL AMENDED:

SUBJECT: Hospital Liens and Ambulance Liens.

FIRST AUTHOR: Rep. McMillin

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill repeals the laws concerning hospital liens and ambulance liens as of July 1, 2013. It provides that liens perfected under these laws and not released before July 1, 2013, remain valid until the liens are released.

Effective Date: July 1, 2013.

Explanation of State Expenditures: Hospitals are required to provide notice of a lien with the Department of Insurance (DOI) in order to provide notice to insurers. The DOI reports that 15,000 to 17,500 notices of liens, adjustments to lien balances, and releases of liens are annually filed with the agency. Fewer than half of the notices are actual new liens. There are no data available indicating the dollar amount of filed liens at this time. DOI reports that they are currently developing a process to allow for hospitals to file the required notices of liens on-line.

Explanation of State Revenues:

Explanation of Local Expenditures: The bill would eliminate the ability of local government-owned hospitals and emergency ambulance services to recover the charges associated with a patient's care by means of placing a lien on a cause of action, suit, or claim accruing to the patient. Hospitals are required to provide notice of a lien with the Department of Insurance in order to provide notice to insurers; ambulance services are not required to do so. There are no data available to indicate the total number of liens that are filed. The extent to which ambulance services and hospitals recover charges as a result of a lien filed against a recovery is unknown. The fiscal impact of the bill is indeterminate.

Explanation of Local Revenues: Local fee revenues would be decreased to the extent that local government-owned hospitals and emergency ambulance services file liens with a recorder's office and pay the associated fees.

Recording fees would depend on the size and length of the lien document as follows: \$6 for the first page and \$2 for each additional page of any document the recorder records if the pages are not larger than 8½ inches by 14 inches; \$15 for the first page and \$5 for each additional page of any document the recorder records, if the pages are larger than 8½ inches by 14 inches. For attesting to the release, partial release, or assignment of any lien contained on a multiple transaction document, the fee for each transaction after the first is the amount provided for the initial filing plus \$1 for each cross-reference of a recorded document. Fees are deposited monthly in the county treasury. The impact on local revenue is indeterminate.

State Agencies Affected: Indiana Department of Insurance.

Local Agencies Affected: Emergency ambulance services, local government-owned hospitals, and county treasuries.

Information Sources:

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